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**BEST AVAILABLE COPY****REMARKS**

Claims 19-24 are pending in this application.

Claims 19-24 are rejected.

Base claim 19 is rejected under 35 USC §102(e) as being anticipated by Sullivan U.S. Publication No. 2003/0093320. This rejection is respectfully traversed

Base claim 19 recites a secure transaction system comprising a plurality of servers for providing a web-based tax service that allows merchant subscribers to accumulate tax information. Base claim 19 also recites means for providing security for information on the servers and information transmitted between the servers.

New claim 25 recites that information is also transmitted between servers and merchants. This feature was removed from base claim 19.

Sullivan discloses a tax compliance transaction system 200 that receives transaction data from sellers and purchasers, and calculates tax liability information (paragraph 0005). Sullivan states the system 200 includes one or more processors that are centralized (see paragraph 5, line 7; paragraph 69, line 1; paragraphs 124-127; and Figure 1). The system 200 described at paragraph 124-127 is implemented in a personal computer. However, Sullivan states the system 200 can be implemented over multiple computers that are connected via a computer network (paragraph 130, lines 3-8).

Sullivan does not teach or suggest that the different tax liability functions are performed by different servers.

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Sullivan does not identify a need for secure transmissions between the processors. Sullivan does not describe a means for providing secure transmission of data between the processors. As noted in the office action, Sullivan uses password access to prevent unauthorized sellers and purchases from gaining access to the system 200 (paragraph 40). However, the password access does not protect transmitted data after an authorized user has lawfully gained access. For example, it does not protect transmitted data against eavesdropping, connection hijacking, network-level virus attacks, etc.

Therefore, Sullivan does not teach or suggest the system of claim 19. Accordingly, claim 19 should be allowed over Sullivan.

A '103 rejection of claim 21 is respectfully traversed. The office action takes official notice of firewalls. However, the official notice alone does not render claim 21 obvious. Claim 21 does not simply recite a firewall. Claim 21 also recites a function for the firewall: preventing unwanted data from being entered into the system while data is being transmitted between subscribers and the servers. Sullivan does not teach or suggest this function. Sullivan simply proposes password protection, which does not protect data that is being transmitted. Therefore, the office action has not yet established prima facie obviousness of claim 21. In view of the documents made of record, the '103 rejection of claim 21 should be withdrawn.

A '103 rejection of claim 22 is respectfully traversed. Claim 22 recites means for providing balancing and scalability of the servers. The office action takes official notice of such means. However, the official notice alone does not render claim 22 obvious. The office action must also find reason, incentive or motivation in the prior art to add server balancing and scalability to Sullivan's tax transition system. The office action has yet to do this. Therefore, the office action has not yet established prima facie obviousness of claim 22. In view of the documents made of record, the '103 rejection of claim 22 should be withdrawn.

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The office action does not reject claims 23-24 under sections 102 or 103. It only raises a rejection under the first paragraph of section 112, and requests the applicant to show support in the specification for PKI 2-way authentication and heart beat monitoring. The monitoring is covered in paragraphs 0009, 0055, and 0061.

PKI 2-way authentication and authorization is addressed in paragraphs 0017, 0083 and 0084. It is implemented via a session key and certificate exchange between a subscriber and a provider. Figure 7 shows the sequence flow of the certificate exchanged and validation.

The examiner is respectfully requested to withdraw the rejections and allow claims 19-25. The examiner is encouraged to contact applicants' attorney Hugh Gortler to discuss any issues that might arise.